

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF AUXIER)	CASE NO. 9318-D
ROAD GAS COMPANY, INC.)	

O R D E R

On September 21, 1987, the Commission issued its Order in Case No. 9318-D, a purchased gas adjustment filing of Auxier Road Gas Company, Inc. ("Auxier Road"). The Commission's Order directed Auxier Road to file revised tariffs as set out in Case No. 9318-D and to file information on the volumes and prices of gas purchased from Kentucky-West Virginia Gas Company ("Kentucky West") and a detailed plan for passing the savings from the Kentucky West contract through to ratepayers.

On October 14, 1987, Auxier Road filed the revised tariffs and the information on the volumes and prices of gas purchased from Kentucky West, which reflected a savings of \$8,900. However, Auxier Road included information on sales made to Highland Regional Medical Center under a special contract which reflected a loss of \$32,803. Auxier Road then offset the savings against the sales loss and took the position that since the sales loss exceeded the savings, there is no savings to be passed on to the regular customers.

This position is erroneous. The fact that the special contract with the hospital results in a sales loss has no bearing

on the savings realized by the contract with Kentucky West which should be passed on to the regular customers.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

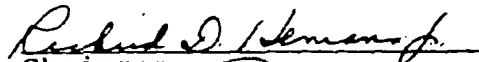
1. Auxier Road's position that there is no savings to be passed on to regular customers has no basis and should file a detailed plan for passing the savings from the Kentucky West contract through to ratepayers.


IT IS THEREFORE ORDERED that:

1. Within 20 days of the date of this Order Auxier Road shall file a detailed plan for passing the savings from the Kentucky West contract through to ratepayers.

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director